

MEETING MINUTES CITY OF MILPITAS

Minutes of: Regular Meeting of the Milpitas City Council
Date: Tuesday, August 16, 2016
Time: 6:00 PM Closed Session / 7:00 PM Open Session
Location: Council Chambers, Milpitas City Hall,
455 East Calaveras Blvd., Milpitas

CALL TO ORDER

Mayor Esteves called the meeting to order at 6:00 PM. Deputy City Clerk noted the roll.

PRESENT: Mayor Esteves, Councilmembers Giordano, Grilli, and Barbadillo

LATE: Vice Mayor Montano was absent at roll call and arrived at 6:40 PM for Closed Session.

CLOSED SESSION

City Council convened in Closed Session to three litigation matters.

City Council then convened at the dais for the Open Session at 7:08 PM.

ANNOUNCEMENT

No announcement out of closed session.

PLEDGE

Boy Scouts Troop No. 92 led the Pledge of Allegiance.

INVOCATION

Councilmember Giordano recited a "Thought for the Day" written by the Dalai Lama.

MEETING MINUTES

Motion: to approve the minutes of August 2, 2016 City Council meeting

Motion/Second: Councilmember Giordano / Councilmember Grilli

Motion carried by a vote of: AYES: 5

SCHEDULE OF MEETINGS Motion: to approve Council Calendar/Schedule of Meetings for August and September 2016 as amended.

Motion/Second: Councilmember Grilli / Councilmember Giordano

Motion carried by a vote of: AYES: 5

PUBLIC FORUM

The following individuals have spoken:

1. Rob Means
2. Robert Marini
3. Voltaire Montemayor

ANNOUNCEMENTS

City Manager Tom Williams reported on the following:

1. Family Bike Ride on August 27, 2016 at 9:00 AM
2. The resolution of Mr. Ynegas' complaint regarding his rising water bill.

City Manager Williams introduced Public Works Director Nina Hawk to give a update on the recent water main breaks. Public Works Director Hawk gave a briefing regarding the recent water main break incidents. Public Works Director Hawk also stated that staff has been responsive in terms of addressing the recent breaks, and has been – and will continue to be – available 24/7.

Vice Mayor Montano asked Public Works Director Hawk regarding the City's aging infrastructure and water distribution as well as the data that the City Council previously requested from staff regarding this issue. Public Works Director Hawk replied that staff research is ongoing and almost completed. Mayor Esteves added that the City has this matter in its list of priorities.

Councilmember Giordano recommended the creation of a Citizens' Water Rate Consumer Committee. Mayor Esteves, agreeing with Councilmember Giordano, proposed to agendize the recommendation for consideration.

Mayor Esteves inquired with Public Works Director Hawk regarding the City's weed abatement efforts. After Public Works Director Hawk replied that a handful of city departments have been working together to address the issue, Mayor Esteves requested staff to provide a status report regarding the City's weed abatement efforts at the next City Council meeting. Mayor Esteves further suggested for staff to consider forming a volunteer program to help address the City's weed abatement efforts.

Mayor Esteves introduced and welcomed Jain Religious Acharya (Guru) Lokesh Muni and several executive board members from the Milpitas Jain Temple. The City Council presented Acharya Muni with the key to the City. Acharya Muni then addressed the audience and thanked everyone.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Diaz asked Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. None were reported.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as amended.

Motion/Second: Councilmember Giordano / Councilmember Grilli

Motion carried by a vote of: AYES: 5

City Manager Williams requested to remove agenda Item No. 8 (International Park Feasibility Report) and Item No. 11 (Light Rail Median Landscaping Project). In response to Vice Mayor Montano's request for clarification regarding Item No. 11, City Manager Williams confirmed that this item would be reintroduced at the next Council meeting.

CONSENT CALENDAR

Motion: to approve the Consent Calendar (items noted with *asterisk), as amended.

Motion/Second: Councilmember Grilli / Councilmember Giordano

Motion carried by a vote of: AYES: 5

City Attorney Christopher J. Diaz advised the City Council that mutually agreed-upon minor modifications between the counsels representing the City and the Milpitas Unified School District (MUSD) were made to the attachments for Agenda Item No. 15 (Amendment No. 2 to the Purchase and Sale Agreement between the City of Milpitas and Milpitas Unified School District – MUSD).

The following agenda items were removed from the Consent Calendar:

- Item No. 15, per Councilmember Barbadillo's request
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- Item No. 14 (Bob McGuire Park), per Mayor Esteves' request

Councilmember Grilli requested to move Item No. 15 as the first matter to be heard from the agenda.

* 3. Commission Appointments

Per recommendation of Mayor Esteves, current Bicycle and Pedestrian Advisory Commissioner Jose Leon has been re-appointed for another two-year term that will expire in August 2019.

* 7. Approve Public Art Electrical Box Painting Project and Designs

Per recommendation of the Milpitas Arts Commission, the 2016 Public Art Electrical Box Painting Project and Designs in the amount of \$7,500 were approved.

* 9. Continuous Water Shortage Emergency and Supplemental Water Use Restrictions

Ordinance No. 240.5 was introduced at the August 2, 2016 City Council meeting. This Ordinance was updated per the direction of City Council on August 2, with the City Attorney including language defining the goal of reducing water consumption by twenty percent (20%).

The second reading for the now-updated Ordinance No. 240.5 had been waived. This ordinance was adopted, amending Chapter 6, Section 5.0 (Supplemental Water Use Restrictions) of the Milpitas Municipal Code, relating to the Continued Water Shortage Emergency and Supplemental Water Use Restrictions.

* 10. Annual Investment Policy

Adopted City Council Resolution No. 8576, which approved the Annual Investment Policy for Fiscal Year 2016-17.

* 11. Light Rail Median Landscaping – Project No. 2001

This item has been removed from tonight's agenda due to two bid protests filed with the City. This item will be placed back in the agenda at a future Council Meeting date.

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| <p>*12. Milpitas Library
Parking Garage Roll-up
Door Modification Project</p> | <p>Adopted City Council Resolution No. 8578, which awarded a contract to JDI Electrical Services, Inc. for the Milpitas Library Parking Garage Roll-up Door Modification Project. This resolution also gave authorization for City Manager Williams to execute the contract for the Library Parking Garage Roll-up Door Modification Project No. 3407 and Project No. 4276.</p> |
| <p>*13. Bridge Improvements
Project No. 4271</p> | <p>Adopted Resolution No. 8579 which awarded a contract to American Civil Constructors West Coast LLC for the Bridge Improvements Project No. 4271. This resolution also authorized Director of Engineering / City Engineer Steven Machida to execute Contract Change Orders for the project.</p> |
| <p>*16. Agreement with Page &
Turnbull – Alviso Adobe,
Phase CHP</p> | <p>The agreement was approved, and authorization was given to City Manager Williams to execute an agreement with Page & Turnbull in the amount not-to-exceed \$350,000 to provide project design services, subject to approval as to form by the City Attorney.</p> |
| <p>*17. Agreement with HMH
Incorporated</p> | <p>The agreement was approved, and authorization was given to City Manager Williams to execute an agreement with HMH Incorporated, the amount of \$325,100 to be split between Project No. 3430 (Midtown Street Light) and Project No. 3425 (Utility Underground 2017), as specified, subject to approval as to form by the City Attorney.</p> |
| <p>*18. Amendment No. 2 –
RMC Water and
Environment – Dempsey
Road Water Line
Replacement</p> | <p>Amendment No. 2 to the agreement with RMC Water and Environment, Dempsey Road Water Line Replacement Project Nos. 7118, 7117, 7100, and 3709 which increased the agreement amount by \$86,278 was approved.</p> |
| <p>*19. Recycled Water
Conversion of City Park /
Trails Phase 1 and
Amendment No. 1 to the
Milpitas Community Garden
Agreement</p> | <p>Approved project plans and specifications for Capital Improvement Project (CIP) Nos. 7126 and 3417. Authorized advertisement for bids for the project. Authorized City Manager Williams to execute Amendment No. 1 to the Milpitas Community Garden Agreement with Milpitas Unified School District.</p> |
| <p>*20. Mobile Computer
Terminals and Accessories
Purchase for Milpitas Police
Department – Data911</p> | <p>Approved the purchase of Mobile Computer Terminals and accessories for the Milpitas Police Department from Data911 for \$196,784.62 and a related budget adjustment of \$6,784.62 to allocate available COPS grant dollars to the Fiscal Year 2016-17 Public Safety Equipment CIP.</p> |

UNFINISHED BUSINESS

1. Water Rates Economics

Director of Engineering / City Engineer Steven Machida explained the City's water utility operations and processes which involves the adherence to state-mandated testing and protocols to ensure that the water quality is safe for drinking and that the water pressure rate is adequate not just for the household but also for public safety uses (such as firefighting and other emergency operations which would require available water).

Councilmember Giordano asked as to which category the recent water main breaks would be placed in: pressure control problem, pipe repair problem, or pump station problem. Director of Engineering / City Engineer Machida replied that staff would categorize it as a pipe repair problem, and that the average age for a City pipe infrastructure is 50 years old.

Director of Engineering / City Engineer Machida continued with the presentation by explaining water operations staffing, local and state inspections and audits, long-term planning, response to customers, water utility appropriations, and the uniform rate of \$6.43 per hundred cubic feet (hcf) of water used (this is the rate charged to all potable water customers). Topics covered were also the composition or breakdown of the \$6.43 uniform rate, and the importance of taking proactive measures to fix infrastructures.

Director of Engineering / City Engineer Machida, in response to Councilmember Grilli's question, confirmed that there was personal property damage during the recent water main breaks such as cars that have been flooded in and had broken down due to the water.

Director of Engineering / City Engineer Machida continued with the presentation by discussing the necessity of raising the water rates to address maintenance and aging infrastructure issues in the City. He added that even though the rates were raised recently, Milpitas' water rates are still low compared to other Bay Area cities.

After Mayor Esteves asked Director of Engineering / City Engineer Machida clarifying questions to understand the chart which reflected as to how Milpitas was still one of (if not the) lowest in terms of water rates charged to citizens, Mayor Esteves requested staff for an additional chart which would demonstrate fixed costs passed on to the consumer. Director of Engineering / City Engineer Machida stated that staff would fulfill the request.

In response to Councilmember Barbadillo's request for clarification, Director of Engineering / City Engineer Machida explained in greater detail the cost structure of \$6.43 per hcf and the capital surcharge of \$1.30 per hcf.

City Manager Williams, Finance Director Morreale, and Director of Engineering / City Engineer Machida explained as to how staff had arrived at the \$6.43 and \$1.30 per hcf calculations.

Mayor Esteves suggested referring to the slide entitled "What Makes Up The \$6.43 per hcf" which shows all the cost breakdowns. Mayor Esteves suggested for staff to provide percentages which would clarify questions.

Director of Engineering / City Engineer Machida continued with the presentation by discussing fixed and variable costs as well as pointing out the rationale on the

City's methodology in ensuring that such costs are covered even in times of drought.

Vice Mayor Montano complimented staff regarding the presentation.

Mayor Esteves, in agreement with Vice Mayor Montano, stated that the intention of this presentation was to educate everyone regarding the City's water rate. Mayor Esteves then asked if tonight's presentation would be posted on the website. Director of Engineering / City Engineer Machida and then City Manager Williams replied that staff would ensure that the presentation would be posted in the City's website along with the Water Fact Sheet and make the data available to social media.

Councilmember Barbadillo asked for the calculation on how staff arrived at \$1.30 per hcf in the water rate component. Director of Engineering / City Engineer Machida replied that staff will provide the information to the City Council. Councilmember Barbadillo then complimented staff for the presentation.

Director of Engineering / City Engineer Machida, in response to Mayor Esteves' inquiry, replied that it was cheaper to purchase water from the Santa Clara Valley Water District than the other water wholesalers.

Vice Mayor Montano shared her opinion regarding the water quality coming from the Hetch Hetchy Regional Water System compared to Santa Clara Valley Water District.

Mayor Esteves stated that tonight's presentation was intended to educate the public and to dispel any misinformation circulating in and outside the City, adding that such wrong information is a disservice to the citizens. He advised that from hereon out, any misinformation being presented by any speaker during the Council meetings will be immediately corrected.

Rob Means, Milpitas resident, expressed his disagreement on facts presented in the report.

Robert Marini, Milpitas resident, shared his comments and disagreement regarding the report.

Voltaire Montemayor, Milpitas resident, commented that raising the water rates was necessary to maintain infrastructure and the system itself.

Motion: to accept Water Rates Economics report.

Motion/Second: Councilmember Giordano / Councilmember Grilli

Motion carried by a vote of: AYES: 5

2. Update on Capital Projects in the Transit Area Specific Plan (TASP)

Director of Engineering / City Engineer Machida provided an update report regarding Capital Project in the TASP areas which include the Bob McGuire Park, McCandless Park, and the Cricket Field Park to name a few.

Director of Engineering / City Engineer Machida, in response to Mayor Esteves' request for clarification, stated that the Capital Project's estimated timeline for

completion would be between five to seven years depending upon the completion of home development projects.

City Manager Williams further explained that the creation and development of the park was contingent upon timing that the property owner desires and seeks an application for a land development project rather than population size. At this time, there is not a willing seller to trigger or set the stage for the City to be able to purchase and begin land development projects

When Mayor Esteves wondered as to what would happen if a willing seller would not come forward, City Manager Williams stated that the City would have to rethink its plan in developing the TASP area. City Manager Williams added that based on how the market demands and pace of development in the TASP area, he was optimistic and confident that development will happen.

Comparing the McCandless property with the property in the TASP area, the Mayor then inquired on whether the City could plan ahead and purchase the property and whether the City was in a financial capacity to make this move. City Manager Williams replied that with the proceeds from the McCandless property sale, the City could be in a good financial position to move forward and approach the property owner in terms of selling the property to the City.

Mayor Esteves suggested for staff to look into the possibility of early acquisition, or look for other alternatives so that the Capital Projects in the TASP area could become a reality.

Director of Engineering / City Engineer Machida, in response to Vice Mayor Montano's question, provided acre size for Bob McGuire Park, McCandless, the other public parks, and the Cricket Field.

Vice Mayor Montano shared that she received feedback where the citizens would like to have basketball courts in the TASP area. Mayor Esteves suggested to have further discussion on this topic at tonight's agenda (under Bob McGuire Park, Item No. 14).

Director of Engineering / City Engineer Machida continued with the presentation, touching upon topics such as the Tot Lot, Bob McGuire Park, McCandless Park, and the Cricket Field. Also discussed were Capital Projects involving trails, sidewalks, and pedestrian bridges as well as Water Projects

City Manager Williams added that funding for the Water Projects are being collected from the new developers in the TASP area, and that the funding would not come from the City's current water consumers.

Director of Engineering / City Engineer Machida then discussed recycled water projects, sewer projects, street projects, storm drain / flood protection projects, and the schedule of completion for all the Capital Projects.

Mayor Esteves complimented staff, and then asked Director of Engineering / City Engineer Machida for clarification regarding the completion timeline chart for the projects discussed tonight. The Mayor also suggested adding a categorized listing of capital improvement projects along with target timeline and funding, and having this information posted in the City's website..

Information Technology Director Mike Luu assisted Director of Engineering / City Engineer Machida by accessing the City's website and demonstrating that the information is already available for public viewing.

Vice Mayor Montano suggested color-coding to delineate the different types of projects. Mayor Esteves agreed with the suggestion, further commenting that he was highly interested in timeline-related information.

Vice Mayor Montano asked whether the City explored grant-related opportunities to obtain grant funding to fund these projects. Director of Engineering / City Engineer Machida stated that initial discussion are already taking place.

Robert Marini, Milpitas resident, spoke regarding water rates even though the topic was already closed for discussion. Mayor Esteves requested Mr. Marini to take a seat.

Voltaire Montemayor, Milpitas resident, shared his approval and thanked staff for the report.

Motion: to accept the Capital Projects in the Transit Area Specific Plan (TASP) update report.

Motion/Second: Councilmember Giordano / Councilmember Grilli

Motion carried by a vote of: AYES: 5

REPORTS

4. Veterans Luncheon – November 12, 2016

Mayor Esteves expressed that he was not against the Veterans Luncheon, but he would like clarification regarding the event such as the breakdown for the \$1800 requested funds, what was the purpose of the event, and what impacts this expenditure or event would have on other commissions should they seek the same request.

Mayor Esteves also said he wanted more information so that the public would be aware that funds would be spent responsibly, and that other commissions would be able to host the same type of event if opportunity permitted.

Councilmember Giordano explained the purpose of the Veterans Commission as well as the luncheon. One goal is to engage and get veterans involved. The Veterans Luncheon would accomplish both goals by inviting veterans and getting them engaged not only for the event but to honor them as well.

Recreation Services Manager Renee Lorentzen outlined the breakdown of costs for the luncheon with an anticipated head count not to exceed 150 attendees. Funding requested, which would come from the City Council Unallocated Community Promotions Budget, is \$1800. The event is estimated to be around two hours, and would have entertainment and resource tables. Lunch will be served by the commissioners from the Veterans Commission along with other volunteers for the event.

In response to Mayor Esteves' question regarding outreach, Recreation Services Manager Lorentzen stated that staff currently has a database of veterans. Other resources such as social media, advertising, and the City website would be used to advertise and reach out to veterans to attend the luncheon.

After clarification, Mayor Esteves expressed his full support to this event and suggested that the same opportunity should be available to other commissions.

Councilmember Grilli asked clarification regarding the reservation process and the head count. Recreation Services Manager Lorentzen replied that in order to keep control of the head count, those who wish to attend the event would make a reservation or RSVP and present their military identification card – these being a way to ensure that they are Milpitas residents. .

Vice Mayor Montano asked regarding the 84 veterans currently in the staff database. Recreation Services Manager Lorentzen replied that all of the names in the database are veterans residing in Milpitas, and the goal of the luncheon would be to add more names to the currently-listed 84 veterans on file.

Mayor Esteves suggested to forward information regarding the Veterans Luncheon to the other commissions in the City, so that the others would be motivated to do more.

Robert Marini, Milpitas resident, said that the City should provide more services to veterans such as housing and other amenities. Councilmember Giordano commented in response that the Milpitas Veterans Commission serves as a conduit to inform and guide veterans to resources and services available to them, and that the City and the Veterans Commission help veterans.

Voltaire Montemayor, Milpitas resident, suggested that the City should commemorate veterans so that they would be encouraged to attend the luncheon. He also proposed for staff to advertise the event.

Motion: to approve allocation of funds from the City Council Unallocated Community Promotions Budget for the Veterans Luncheon on November 12, 2016.

Motion/Second: Councilmember Giordano / Councilmember Grilli

Motion carried by a vote of: AYES: 5

5. Recycling and Source Reduction Advisory Commission (RSRAC) Fiscal Year 2016-17 Work Plan

Commission Staff Liaison Leslie Stobbe introduced Commissioner Marta Martinez and Chief Operating Office of Elite Recycling.

Commissioner Martinez reported on the purpose of RSRAC, the commission's accomplishments in Fiscal Year 2015-16, and the commission's work plan goals in Fiscal Year 2016-17.

Vice Mayor Montano commented on activities such as clean-ups, which she was glad to see. Vice Mayor Montano also inquired clarification on some of the entries in RSRAC's Work Plan. Commission Liaison Stobbe explained about the work plan goals for the Commission, especially about organics recycling.

Commission Liaison Stobbe, in response to Mayor Esteves, replied that the Commission has a small budget and does outreach to ensure that residential, commercial, and multi-family establishments.

Vice Mayor Montano stated that the City should do more recycling. Commissioner Staff Liaison stated that RSRAC is looking into innovative processes that other cities such as New York had adopted for waste diversion.

Voltaire Montemayor, Milpitas citizen, praised the commission's work and shared his suggestions regarding recycling correctly

Robert Marini, Milpitas citizen, shared his comments.

Motion: to receive a presentation from the Recycling and Source Reduction Advisory Commission (RSRAC) and approve the Fiscal Year 2016-17 RSRAC Work Plan

Motion/Second: Councilmember Barbadillo / Vice Mayor Montano

Motion carried by a vote of: AYES: 5

6. Arts Commission Fiscal Year 2016-17 Work Plan

Recreation Services Manager Lorentzen introduced Commission Chair Becky Strauss

Commissioner Martinez reported on the purpose of the Arts Commission, the commission's accomplishments in Fiscal Year 2015-16, and the commission's work plan goals in Fiscal Year 2016-17.

Vice Mayor Montano asked clarification regarding the Sun Dial / Augustine Park public artwork, which was mention in the commission's accomplishment list in Fiscal Year 2015-16. Recreation Services Manager Lorentzen discussed on how the artwork was damaged due to vandalism and that the artwork was repaired.

Vice Mayor Montano praised the Arts Commission's work, especially the electrical box artwork. She suggested that the wall on South Abel street should have a mural, and maybe the Commission could think of ways to make it into public art.

Councilmember Giordano also praised the Arts Commission and the commissioners. Councilmember Giordano then asked about the possibility of having a performing arts center in Milpitas. Recreation Services Manager Lorentzen replied that staff and the commission's sub-committee plan to revisit the original 1998 proposal and feasibility study, with the intention of kick-starting the project.

Mayor Esteves asked regarding public art objects, and how such issues go to Commission for consideration. Recreation Services Manager Lorentzen stated that although such projects are not listed in tonight's presentation slides, the Commission continually works on these projects as opportunities permit. Recreation Services Manager Lorentzen said that the Commission and staff anticipate receiving more project proposals for public art objects in the next four

to six months.

Recreation Services Manager Lorentzen, per Mayor Esteves' inquiry, confirmed that that any naming process for public art dedications would be going to the City Council Facilities Naming Subcommittee for consideration.

Voltaire Montemayor, Milpitas citizen, shared his opinion regarding the presentation.

Vice Mayor Montano suggested a scholarship fund for an art major, in honor of deceased Commissioner Larry Voellger.

Mayor Esteves thanked Recreation Services Manager Lorentzen and Commission Chair Becky Strauss for the presentation.

Motion: to receive a presentation from the Arts Commission and approve the Fiscal Year 2016-17 Arts Commission Work Plan

Motion/Second: Vice Mayor Montano / Councilmember Grilli

Motion carried by a vote of: AYES: 5

NEW BUSINESS

8. International Park Feasibility Report and Alternate Locations

This item was removed from tonight's agenda.

RESOLUTION

14. Bob McGuire Park – Initial Acceptance, Notice of Final Acceptance, and Land Dedication

Mayor Esteves asked for clarification regarding the Bob McGuire Park opening. Director of Engineering / City Engineer Machida replied that there would be a "soft" opening on Labor Day weekend, and that the "grand" opening would be in October 2016.

Mayor Esteves inquired regarding advertising or announcing the park's opening.

Recreation Services Manager Lorentzen stated staff had been collecting interested citizens' names and have contacted them regarding the park's "soft" opening. Staff also utilized print advertising, social media, the City's Activity Guide, and the City's website to advertise the "soft" opening. Invitations will be sent out to the Commissioners and the public to inform everyone regarding the park dedication in October 2016.

Motion: To adopt Resolution No. 8580 granting initial acceptance of the Bob McGuire Park, and authorizing Director of Engineering / City Engineer Steven Machida to issue the notice of final acceptance after the one-year warranty period and accept the fee title to the Bob McGuire Park.

Motion/Second: Mayor Esteves / Councilmember Giordano

Motion carried by a vote of:

AYES: 5

15. Amendment No. 2 to the Purchase and Sale Agreement between City of Milpitas and Milpitas Unified School District (MUSD)

Per Councilmember Grilli's request, this agenda item was moved to be the first non-consent item heard for tonight's meeting.

Mayor Esteves acknowledged presence of Acting Superintendent Cheryl Jordan, the entire MUSD school board, and members of various school groups.

Finance Director Russell Morreale spoke about the second amendment to the Purchase and Sale Agreement which was originally made in 2014 and had been amended for the first time in 2015. The second amendment would reaffirm terms such as interest rate and closing date, add a cost reimbursement stipulation for expenditures incurred by MUSD for soil remediation which would be factored in from the sale proceeds, and establish a two-payment installment plan with the first half of the full payment due at the close of escrow and then the remainder payable one year thereafter.

Councilmember Barbadillo requested clarification on why the second amendment had been made and whether this amendment would provide mutual benefit to the City and MUSD. Finance Director Morreale explained that this amendment would assist MUSD with their construction plans and phase-out plans, and that the installment plan would not cause any financial harm to the City since full payment will be received within 12 months and the City would be fully secured by the property's underlying value throughout the period of awaiting payments.

Councilmember Barbadillo then asked if construction would be ongoing while the City awaits the second of the two installment payments. Finance Director Morreale stated that he believes that construction would occur only after full payment has been made, and then requested Interim Superintendent Jordan to provide further clarification.

Acting Superintendent Jordan, after thanking the City Council and staff for the assistance and cooperation, explained that the second amendment is integral in helping MUSD build and open the new school on the property being purchased by the Fall 2018 school year. She also confirmed that there would be no construction on the property until MUSD completed the payments to the City.

Councilmember Barbadillo asked Finance Director Morreale for clarification on how the joint decision had been made which would result in MUSD receiving cost reimbursement for soil remediation. Finance Director Morreale explained that school districts have to adhere to stringent state requirements in terms of soil assessment and remediation prior to the construction of any school buildings and facilities. Per the soil assessment results on the property being purchased, MUSD had to secure and pay for soil remediation services while the City (in good faith) agreed to pay for these costs via a reimbursement to MUSD.

For further clarification, City Manager Williams added that the City (as the long-time property owner of the site) had to import soil so that the site would comply with state-mandated soil quality and remediation standards for residential use. Since the property is now being sold to MUSD, the site's soil quality would need to comply with the more-stringent state-mandated standards for school district use. The City, being the current property owner, has the responsibility to "clean

up” the property and pay for any costs associated with such activities prior to the sale of the property.

Acting Superintendent Jordan expressed her appreciation to City Council and staff for the cooperation, teamwork, and support that MUSD has received throughout the process.

Mayor Esteves spoke on how the City has always been supportive of the school district from the beginning, and that the terms stipulated in the Second Amendment to the agreement would provide a mutual benefit to the City and MUSD where there would be a property with a park and a school for the residents.

Vice Mayor Montano shared that she was glad about the resolution, and she then extended her congratulations to MUSD.

City Manager Williams acknowledged Acting Superintendent Jordan and Wendy Zhang for working collaboratively with the City during this transaction.

Motion: to adopt Resolution No. 8577 granting approval to Amendment No. 2 to the Purchase and Sale Agreement between the City of Milpitas and MUSD to implement an installment payment plan to extend through October 2017 and approve the related budget adjustment for the anticipated Fiscal Year 2016-17 Sales Proceed.

Motion/Second: Councilmember Grilli / Vice Mayor Montano

Motion carried by a vote of: AYES: 5

ADJOURNMENT

The meeting was adjourned at 10:38 PM.

Meeting minutes respectfully submitted by

Pam Caronongan, Deputy City Clerk